

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council of Administrative Services (DCAS)

Thursday, May 22, 2008

District Administrative Office Multipurpose Room

NOTES

Attendees: Connie Jenkins, Dominga Chavez, Ray Di Giulio, Sue Johnson, Tom Kimberling, Deborah LaTeer, Mary Anne McNeil, Timothy Oliver, Karen Osher, and Margaret Tennant

Absent: Scott Corbett, Debra Cronin, Peter Sezzi

The meeting began at approximately 8:35 a.m.

APPROVAL OF MINUTES

The notes from the March 27, 2008 meeting were approved by consensus.

2007-08 BUDGET UPDATE

The *Revenue Shortfall Contingency – Projected Status* schedule (dated 5/22/08) was distributed and discussed. Sue reviewed the current issue with the state-wide property tax deficit, resulting in a \$2.2 million shortfall for the district. With that revenue reduction, the reserve is projected to be over-expended by \$1.5 million. The \$1.5 million shortfall will come from unallocated reserves. The state-wide property tax deficit does not affect K-12 funding, which will come from general fund backfill.

Property tax estimate will be lower for next year (2008-09) based on this year's projection. The May revise includes backfill language for this year and advocates are proposing language to be adopted to avoid future situations such as this.

2008-09 BUDGET UPDATE

The *FTES Comparison* schedule (dated 5/22/08) was distributed and discussed. It was noted that if Ventura College holds to the 10,079 figure, they will move from a "small" college to a "medium" college. This will add approximately \$550,000 in base allocation funding. This FTES figure would be reported on our July 320 and resulting revenue included in the Adoption Budget.

We are currently projecting approximately 172 FTES over our growth cap. This is the first time in four years that the District (and the state) has had "unfunded" FTES.

The *Revenue Projection* schedule (dated 5/22/08), was distributed and discussed. These figures will be included in the Tentative Budget. The Tentative Budget book will be presented at the next DCAS Meeting (June 5, 2008). It was noted that the "small" vs. "medium" college move for Ventura will not be reflected in the Tentative Budget. If the FTES numbers hold, the adjustment/move will be reflected in the Adoption Budget.

Sue noted that \$6.6 million included in Revenue for FY 2008-09, derived from Restoration (\$4.5 million) and Growth (\$2.1 million), is a one-time increase for Restoration of FTES and growth earned in FY 2007-08. This increase in funding will be a part of the base in the future, but we must not expect this type of increase again in the near term, now that we are fully restored.

Because of the restoration funding, VCCCD is one year behind other districts relative to experiencing the current budget shortfalls. We will experience a more serious situation in 2009-10

Sue explained the importance of the decisions being made throughout the district and their impact on future years, as the state budget shortfall is expected to last for a while. Proformas for future budget years (example FY2010) will be shared with DCAS in the near future.

Sue discussed the Governor's proposal as it related to Lottery funding. It is not known how the Governor's May Revise proposal to generate \$15.2 billion in revenues through borrowing against the future stream of lottery revenues may adversely impact education's full receipt of those funds. In the proposal, Education would become secondary to the bond holders for the current lottery revenue. There was a brief discussion about the past plans of moving Lottery revenue from general fund to a "one-time" expenditure account (technology, scheduled maintenance, etc.) in the future. This can only be done in a year where there are sufficient funds to backfill that move. This does not appear possible in the near term.

The *Collegewide Services Budget* (dated 5/22/08) was distributed and discussed. It was noted that there are no significant changes to this schedule since the last distribution (3/27/08).

The *Allocation Model* schedule (dated 5/22/08) was distributed and discussed.

The *FTO obligation for FY08-09* schedule (dated 5/22/08) was distributed and discussed. Sue explained that the "target" is given to us by the State based on P2. This figure is based on anticipated growth in FTES. The FTO target for 2008-09 is 396. Based on projections, we will be over the FTO obligation by 29. However, in the subsequent year that is expected to erode to single digits. The rationale behind targeting our actual number significantly above our obligation for this budget year is to use the additional revenue earned from the increased FTES as it is expected that there will be insufficient dollars available to hire faculty next year.

MEETING SCHEDULE

The next DCAS meeting is scheduled for Thursday, June 5th at 8:30 a.m. The Tentative Budget will be reviewed and discussed at the meeting. The Budget narrative will be emailed to members before the meeting.

Meeting was adjourned at approximately 10:20 a.m.